

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY INDUSTRIAL UTILITY)	
CUSTOMERS, INC.)	
)	
COMPLAINANT)	
)	
V.)	CASE NO.
)	2018-00034
)	
KENTUCKY UTILITIES COMPANY)	
AND)	
LOUISVILLE GAS AND ELECTRIC COMPANY)	
)	
DEFENDANTS)	

COMMISSION STAFF'S FIRST POSTHEARING REQUEST FOR INFORMATION TO
KENTUCKY UTILITIES COMPANY AND
LOUISVILLE GAS AND ELECTRIC COMPANY

Kentucky Utilities Company ("KU") and Louisville Gas and Electric Company ("LG&E") (jointly, "KU/LG&E"), pursuant to 807 KAR 5:001, are to file with the Commission the original in paper medium and an electronic version of the following information. The information requested herein is due on or before June 11, 2018. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate

to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

KU/LG&E shall make timely amendment to any prior response if they obtain information that indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which KU/LG&E fails or refuses to furnish all or part of the requested information, they shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, KU/LG&E shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to KU/LG&E's response to Commission Staff's Third Request for Information, Item 2, Attachment to Question 2(a)(1) - KU Balance Sheet and Capitalization Reconciliation. Provide a detailed list of construction projects included in Line 3 Gross Utility Plant on the spreadsheet titled "KU Balance Sheet" for the 17 month forecasted period. For each construction project, explain how it will be funded, and provide the beginning and ending month of construct, and the amounts included in the monthly gross utility plant forecasts.

2. Refer to KU/LG&E's response to Commission Staff's Third Request for Information, Item 2, Attachment to Question 2(b)(1) - LG&E Balance Sheet and

Capitalization Reconciliation. Provide a detailed list of construction projects included in Line 3 Gross Utility Plant on the spreadsheet titled “LGE Balance Sheet” for the 17 month forecasted period. For each construction project, explain how it will be funded, and provide the beginning and ending month of construct, and the amounts included in the monthly gross utility plant forecasts.

3. Refer to the Direct Testimony of Kent W. Blake filed January 29, 2018 (“Blake Testimony”), Exhibit KWB-4. For KU, file a rate schedule reflecting the revised federal and state income tax rates as filed in Exhibit KWB-3 of the Direct Testimony on Rehearing of Kent W. Blake (“Blake Rehearing Testimony”) and the capitalization structures approved in Case No. 2016-00370.¹

4. Refer to the Blake Testimony, Exhibit KWB-5. For LG&E Electric Operations, file a rate schedule reflecting the revised federal and state income tax rates as filed in Exhibit KWB-3 of the Blake Rehearing Testimony and the capitalization structures approved in Case No. 2016-00371.²

5. Refer to the KU/LGE’s response to Staff’s First Request for Information, Item 3, modified Exhibit KWB-6. For LG&E Gas Operations, file a rate schedule reflecting the revised federal and state income tax rates as filed in Exhibit KWB-3 of the Blake Rehearing Testimony and the capitalization structures approved in Case No. 2016-00371 modified to reflect the allocation for the surcredit to residential and nonresidential gas customers.

¹ Case No. 2016-00370, *Electronic Application of Kentucky Utilities Company for an Adjustment of its Electric Rates and for Certificates of Public Convenience and Necessity* (Ky. PSC June 22, 2017).

² Case No. 2016-00371 *Electric Application of Louisville Gas and Electric Company for an Adjustment of Its Electric and Gas Rates and for Certificates of Public Convenience and Necessity* (Ky. PSC June 22, 2017).

6. Refer to the response to the Attorney General's Initial Request for Information, Item 1.

a. Explain if the pension contribution of \$46 million was accounted for in the forecasted test year for Case Nos. 2016-00370. If not

b. Explain if the pension contribution of \$54 million was accounted for in the forecasted test year for Case Nos. 2016-00371.

c. Explain how often such pension contributions occur and if the contributions are of similar amounts.

d. Refer to Attachment AG-1(a).

(1) Explain how the capitalization increase associated with pensions is allocated among the components of the capitalization structure.

(2) Provide an updated capitalization structure reflecting the change associated with the January 2018 pension contribution for KU.

(3) Provide an updated capitalization structure reflecting the change associated with the January 2018 pension contribution for LG&E.

e. Provide any anticipated contribution amounts through May 1, 2019.

7. Refer to the Blake Testimony, Exhibit KWB-4. For KU, file a rate schedule reflecting the revised federal and state income tax rates as filed in Exhibit KWB-3 of the Blake Rehearing Testimony, the capitalization structure from Item 6d(2). above, and the current cost of long-term debt of 4.24 percent³ and short-term debt of 2.35 percent.⁴

³ Blake Rehearing Testimony, Exhibit KWB-4, page 2 of 9.

⁴ *Id.*, page 3 of 9.

8. Refer to the Blake Testimony, Exhibit KWB-6. For LG&E Electric, file a rate schedule reflecting the revised federal and state income tax rates as filed in Exhibit KWB-3 of the Blake Rehearing Testimony, the capitalization structure from Item 6d(3). above, and the current cost of long-term debt of 4.12 percent⁵ and short-term debt of 2.35 percent.⁶

9. Refer to the KU/LGE's response to Staff's First Request for Information, Item 3, modified Exhibit KWB-6. For LG&E Gas, file a rate schedule modified to reflect the allocation for the surcredit to residential and nonresidential gas customers and reflecting the revised federal and state income tax rates as filed in Exhibit KWB-3 of the Blake Rehearing Testimony, the capitalization structure from Item 6d(3). above, and the current cost of long-term debt of 4.12 percent⁷ and short-term debt of 2.35 percent.⁸

10. Provide all responses in Excel spreadsheet format with all formulas unprotected and rows and column accessible.


Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED **MAY 30 2018**

cc: Parties of Record

⁵ *Id.*, page 7 of 9.

⁶ *Id.*, page 8 of 9.

⁷ *Id.*, page 7 of 9.

⁸ *Id.*, page 8 of 9.

*Honorable Allyson K Sturgeon
Senior Corporate Attorney
LG&E and KU Energy LLC
220 West Main Street
Louisville, KENTUCKY 40202

*Robert Conroy
LG&E and KU Energy LLC
220 West Main Street
Louisville, KENTUCKY 40202

*Jody Kyler Cohn
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Kentucky Utilities Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40232-2010

*Honorable Kurt J Boehm
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Louisville Gas and Electric Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40232-2010

*Honorable Kendrick R Riggs
Attorney at Law
Stoll Keenon Ogden, PLLC
2000 PNC Plaza
500 W Jefferson Street
Louisville, KENTUCKY 40202-2828

*Kent Chandler
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Honorable Michael L Kurtz
Attorney at Law
Boehm, Kurtz & Lowry
36 East Seventh Street
Suite 1510
Cincinnati, OHIO 45202

*Rebecca W Goodman
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204